

Montgomery County, Maryland, Overview of Moderately Priced Dwelling Unit Program (MPDU)

Montgomery County's Moderately Priced Dwelling Unit (MPDU) program is believed to be the nation's first mandatory, inclusionary zoning law that specified a density bonus allowance to builders for providing affordable housing. The density bonus was designed to preclude developers from losing opportunities to build market-rate units and to help offset some of the production costs of the MPDUs. The program's implementation involves both the public and private sectors, with the local government performing regulatory and administrative functions and the building industry producing the housing. Some highlights of the MPDU program are as follows:

- **Between 12.5 and 15 percent of the total number of units in every subdivision or high-rise building of 20 or more units be moderately priced.**
- **The zoning ordinance allows a density increase of up to 22 percent above the normal density permitted under the zone.**
- **The ordinance also allows some attached housing in single-family zoning classifications so that optimum development of the property can be achieved and less costly housing can be constructed.** (The density bonus, in effect, creates free lots upon which the MPDUs are constructed. The builder normally obtains some additional market rate units equal to the difference between the density bonus and the MPDU requirement.)
- **The County imposes certain resale and occupancy restrictions on the MPDUs when the completed units are sold.**
- **Three agencies within Montgomery County, Maryland, are key to the implementation of the MPDU program.**

Click on the link below to learn more about the different roles of these agencies in the MPDU program:

- [Montgomery County Maryland-National Capital Park & Planning Commission \(M-NCPPC\)](#)
- [Montgomery County Department of Housing and Community Affairs \(DHCA\)](#)
- [Montgomery County HOC](#)